

REFERENCE TITLE: agency budgets; responsibilities

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

SB 1428

Introduced by
Senator Martin

AN ACT

AMENDING SECTIONS 35-122 AND 41-2954, ARIZONA REVISED STATUTES; RELATING TO THE STATE BUDGET.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 35-122, Arizona Revised Statutes, is amended to
3 read:

4 35-122. Strategic plans: program lists: compilation

5 A. Consistent with instructions issued by the governor, the
6 administrative head of each budget unit is responsible for developing a list
7 of programs for the budget unit. For purposes of this section, a program may
8 include a subprogram as determined by the governor's office of strategic
9 planning and budgeting and the staff of the joint legislative budget
10 committee. In consultation with the staff of the joint legislative budget
11 committee, the governor's office of strategic planning and budgeting may
12 modify the list of programs submitted by each budget unit.

13 B. Consistent with instructions issued by the governor, the
14 administrative head of each annual budget unit is responsible for:

15 1. Developing a five-year strategic plan for the entire budget
16 unit. The strategic plan shall be updated annually as necessary. The plan
17 shall contain strategic issues, a mission statement, A description, goals,
18 strategies and resource assumptions. The resource assumptions shall include
19 the number of full-time equivalent positions and budgetary data, including
20 all funding sources categorized by general fund, other appropriated funds,
21 nonappropriated funds and federal funds that are required to support the
22 strategic plan. The strategic plan shall be posted on the agency's official
23 internet web site and submitted to the governor's office of strategic
24 planning and budgeting and to the staff of the joint legislative budget
25 committee by January 1 of each year. The senate appropriations committee and
26 the house of representatives appropriations committee shall review the
27 strategic plans annually.

28 2. Developing an operating plan for each program identified in
29 subsection A. The plan shall use the format required in subsection E and be
30 submitted to the governor's office of strategic planning and budgeting by
31 September 1 of each year. Each year annual budget units shall submit
32 performance measures and budgetary data for the prior, current and ensuing
33 fiscal year.

34 3. Developing a mission statement, A description and strategic issues
35 for the entire budget unit as part of the operating plan to be submitted to
36 the governor's office of strategic planning and budgeting AND THE JOINT
37 LEGISLATIVE BUDGET COMMITTEE by September 1 of each year. DURING THE YEAR OF
38 EACH STATE AGENCY'S SUNSET REVIEW EACH BUDGET UNIT SHALL LINK THE MISSION
39 STATEMENT AND STRATEGIC OBJECTIVES TO THE OVERALL AGENCY BUDGET AND SHALL
40 PRIORITIZE THE ACTIVITIES AS DEFINED BY THE STAFF OF THE JOINT LEGISLATIVE
41 BUDGET COMMITTEE AND IDENTIFY THE COSTS OF EACH ACTIVITY. ~~The mission
42 statement, description and strategic issues shall be submitted at the same
43 time to the staff of the joint legislative budget committee.~~

1 C. Consistent with instructions issued by the governor, the
2 administrative head of each biennial budget unit is responsible for:

3 1. Developing an operating plan for each program identified in
4 subsection A. The plan shall use the format required in subsection E and be
5 submitted to the governor's office of strategic planning and budgeting by
6 September 1 of each year. In even-numbered years, biennial budget units
7 shall submit performance measures and budgetary data for the prior, current
8 and two ensuing fiscal years. In odd-numbered years, biennial budget units
9 shall submit performance measures and budgetary data for the prior, current
10 and one ensuing fiscal year.

11 2. Developing a mission statement, A description and strategic issues
12 for the entire budget unit as part of the operating plan to be submitted to
13 the governor's office of strategic planning and budgeting by September 1 of
14 each year. The mission statement, description and strategic issues shall be
15 submitted at the same time to the staff of the joint legislative budget
16 committee.

17 D. Pursuant to subsection A, biennial budget units that have one
18 program are responsible for the plan requirements of the program and the
19 budget unit.

20 E. The operating plan shall include a mission statement, A
21 description, goals, performance measures that emphasize results and budgetary
22 data. The budgetary data shall include funding amounts, regardless of
23 source.

24 F. The governor's office of strategic planning and budgeting shall
25 compile the submissions required in subsection B, paragraphs 2 and 3~~—~~ and
26 subsection C and no later than five days after the regular session of the
27 legislature convenes of each even-numbered year shall publish a master list
28 of programs that are performed or overseen by state government. The master
29 list shall include the program description, agency description, mission
30 statement, strategic issues, goals, performance measures and budgetary
31 data. The list shall include all programs that are administered jointly by
32 two or more budget units.

33 Sec. 2. Section 41-2954, Arizona Revised Statutes, is amended to read:

34 41-2954. Committees of reference; membership; performance
35 review reports; hearings; guidelines;
36 recommendations; subpoena powers

37 A. Each standing committee of both legislative houses shall appoint a
38 subcommittee of five members. Not more than three appointees of each house
39 shall be of the same political party. The subcommittees shall jointly
40 constitute a committee of reference in their respective subject matter areas.

41 B. After receipt of the preliminary sunset review report, the
42 committee of reference shall hold at least one public hearing to receive
43 testimony from the public and from the officials of the agency involved. The
44 agency involved shall prepare a presentation for the first public meeting

1 that addresses the elements of the written statement required by subsection F
2 **OF THIS SECTION.**

3 C. The committee of reference shall hold public hearings for the
4 following purposes:

5 1. To determine the actual need of the agency to regulate or direct
6 the particular activity.

7 2. To determine the extent to which the statutory requirements of the
8 agency are necessary and are being met.

9 3. To receive testimony from the public as to the relationship of the
10 agency with the public.

11 4. To receive testimony from the executive director or other head of
12 the agency as to reasons for the continuation of the agency.

13 D. The committee of reference shall consider but not be limited to the
14 following factors in determining the need for continuation or termination of
15 each agency:

16 1. The objective and purpose in establishing the agency.

17 2. The effectiveness with which the agency has met its objective and
18 purpose and the efficiency with which it has operated.

19 3. The extent to which the agency has operated within the public
20 interest.

21 4. The extent to which rules adopted by the agency are consistent with
22 the legislative mandate.

23 5. The extent to which the agency has encouraged input from the public
24 before adopting its rules and the extent to which it has informed the public
25 as to its actions and their expected impact on the public.

26 6. The extent to which the agency has been able to investigate and
27 resolve complaints that are within its jurisdiction.

28 7. The extent to which the attorney general or any other applicable
29 agency of state government has the authority to prosecute actions under the
30 enabling legislation.

31 8. The extent to which agencies have addressed deficiencies in their
32 enabling statutes which prevent them from fulfilling their statutory mandate.

33 9. The extent to which changes are necessary in the laws of the agency
34 to adequately comply with the factors listed in this subsection.

35 10. The extent to which the termination of the agency would
36 significantly harm the public ~~health, safety or welfare~~.

37 11. The extent to which the level of regulation exercised by the agency
38 is appropriate and whether less or more stringent levels of regulation would
39 be appropriate.

40 12. The extent to which the agency has used private contractors in the
41 performance of its duties and how effective use of private contractors could
42 be accomplished.

43 E. The committee of reference shall deliver the final sunset review
44 report of its recommendations to the committee, the president of the senate,
45 the speaker of the house of representatives, the governor, the auditor

1 general and the affected agency by December 1. Such recommendations shall
2 include one of the following:

- 3 1. That the state agency be continued.
- 4 2. That the state agency be revised or consolidated.
- 5 3. That the state agency be terminated pursuant to this chapter.

6 F. The final sunset review report by the committee of reference shall
7 also include a written statement prepared by the agency involved that
8 contains:

9 1. An identification of the problem or the needs that the agency is
10 intended to address.

11 2. A statement, to the extent practicable, in quantitative and
12 qualitative terms, of the objectives of such agency and its anticipated
13 accomplishments.

14 3. An identification of any other agencies having similar, conflicting
15 or duplicate objectives, and an explanation of the manner in which the agency
16 avoids duplication or conflict with other such agencies.

17 4. An assessment of the consequences of eliminating the agency or of
18 consolidating it with another agency.

19 5. A STATEMENT DESCRIBING, TO THE EXTENT PRACTICABLE, IN QUANTITATIVE
20 AND QUALITATIVE TERMS, THE EXTENT TO WHICH THE BUDGET UNIT HAS COMPLETED BOTH
21 OF THE FOLLOWING:

22 (a) LINKED ITS MISSION STATEMENT AND STRATEGIC OBJECTIVES TO THE
23 OVERALL AGENCY BUDGET AS REQUIRED BY SECTION 35-122, SUBSECTION B,
24 PARAGRAPH 3.

25 (b) PRIORITIZED ITS ACTIVITIES AND IDENTIFIED THE COSTS OF EACH
26 ACTIVITY AS REQUIRED BY SECTION 35-122, SUBSECTION B, PARAGRAPH 3.

27 G. The committee shall oversee the preparation of any proposed
28 legislation to implement the recommendations of the committees of reference
29 and is responsible for the introduction of such legislation.

30 H. If an agency is continued, it is not necessary to reappoint any
31 member of the governing board or commission of the agency. Such members are
32 eligible to complete their original terms without reappointment or
33 reconfirmation.

34 I. Each committee of reference shall have the power of legislative
35 subpoena pursuant to chapter 7, article 4 of this title.